

BILL ANALYSIS

C.S.H.B. 3152
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Business & Industry
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Legislation enacted within the last decade allowed workers' compensation insurance carriers to create certified health care networks. Interested parties contend that many of these certified networks use specialty networks for services such as radiology, laboratory needs, or physical therapy. Those parties further contend that in an effort to assist the specialty network providers, some specialty networks provide billing and claims services. C.S.H.B. 3152 seeks to address the payment process through these networks to ensure that providers are being paid in a consistent manner and that there is contracting clarity between all parties.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 3152 amends the Insurance Code to establish that if, for the purposes of credentialing and contracting with health care providers on behalf of a certified workers' compensation health care network, a person is serving as both a management contractor or a third party to which the network delegates a function and as an agent of a health care provider, the contract between the management contractor or third party and the health care provider is required to specify the certified network's contract rate for health care services and the amount of reimbursement the health care provider will be paid after the health care provider agent's fee for providing the administrative services is applied. The bill requires such a contract to comply with the requirements of the bill's provisions and other provisions of the Workers' Compensation Health Care Network Act. The bill requires the health care provider to be reimbursed in accordance with the terms of the contract if the contract complies with those requirements, but requires the health care provider to be reimbursed in accordance with the certified network's contracted rate if the contract does not comply with those requirements.

C.S.H.B. 3152 requires a management contractor for a certified network or third party to which a certified network delegates a function that is also serving as an agent for health care providers in the certified network to disclose that relationship in its contract with the certified network. The bill requires a contract between a certified network and a management contractor or third party to which the network delegates a function to comply with the requirements of the bill's provisions and other provisions of the Workers' Compensation Health Care Network Act. The bill prohibits a certified network, management contractor, or third party to which the network delegates a function from requiring a health care provider, as a condition for contracting with the certified network, to utilize as a health care provider agent the management contractor or the third party.

EFFECTIVE DATE

September 1, 2013.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 3152 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and highlighted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

SECTION 1. Section 1305.153, Insurance Code, is amended by adding Subsection (f) to read as follows:

(f) An entity providing claims services or fulfilling bill processing obligations for a network that reimburses providers for services provided through the network may directly reimburse a provider at the contracted rate as if the network were reimbursing the provider.

No equivalent provision.

HOUSE COMMITTEE SUBSTITUTE

No equivalent provision.

SECTION 1. Section 1305.153, Insurance Code, is amended by adding Subsections (f), (g), (h), (i), and (j) to read as follows:

(f) If, for the purposes of credentialing and contracting with health care providers on behalf of the certified network, a person is serving as both a management contractor under Section 1305.102 or a third party to which the network delegates a function and as an agent of the health care provider, the contract between the management contractor or third party and the health care provider must specify:

(1) the certified network's contract rate for health care services; and

(2) the amount of reimbursement the health care provider will be paid after the health care provider agent's fee for providing administrative services is applied.

(g) If a management contractor or third party to which the network delegates a function is serving as an agent for health care providers in the certified network, the management contractor or third party must disclose that relationship in its contract with the certified network.

(h) A contract described by Subsection (f), or a contract between a management contractor or third party to which the network delegates a function and a certified network, must comply with the requirements of this chapter.

(i) If a contract described by Subsection (f) complies with the requirements of this chapter, the health care provider shall be reimbursed in accordance with the terms of

the contract. If a contract described by Subsection (f) does not comply with the requirements of this chapter, the health care provider shall be reimbursed in accordance with the certified network's contracted rate.

(j) A certified network, management contractor, or third party to which the network delegates a function may not require a health care provider, as a condition for contracting with the certified network, to utilize as a health care provider agent the management contractor or the third party.

No equivalent provision.

SECTION 2. With respect to a contract between a health care provider and a network, management contractor, or third party to which the network delegates a function, the change in law made by this Act applies only to a contract entered into or renewed on or after the effective date of this Act. A contract entered into or renewed before the effective date of this Act is governed by the law in effect immediately before the effective date of this Act, and that law is continued in effect for that purpose.

No equivalent provision.

SECTION 3. With respect to a contract between a certified network and a management contractor or third party to which the network delegates a function, the change in law made by this Act applies to a contract that is in effect on the effective date of this Act or entered into on or after that date.

SECTION 2. This Act takes effect September 1, 2013.

SECTION 4. Same as introduced version.